

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 NSC-05 PA-01 RSC-01 PRS-01 SP-02 SS-15 AID-05

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O 312220Z JAN 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC NIACT IMMEDIATE 7572

C O N F I D E N T I A L SECTION 1 OF 2 BRASILIA 0887

FOR ROGERS

E. O. 11652: GDS

TAGS: PFOR

SUBJECT: POSTPONEMENT OF B.A. MFM

REF: A. STATE 21494 B. STATE 21851

BRAZILIAN PRESS COVERAGE OF THE POSTPONEMENT OF THE B.A.-MFM IN PART INSPIRED BY THE FOREIGN MINISTRY HAS PORTRAYED THE GOB AS UNSURPRISED CONCERNING THE POSTPONEMENT, AS HAVING FAVORED THE B.A. MEETING, BUT ALSO AS HAVING BOWED TO THE LATIN AMERICAN CONSENSUS FOR A POSTPONEMENT. THE FOREIGN MINISTER INFORMED THE AMBASSADOR THAT BRAZIL HAD BEEN PREPARED TO ATTEND THE B.A. MEETING AND THOUGHT THAT THE MFM WAS A NOT ONLY APPROPRIATE BUT A PARTICULARLY GOOD FORUM FOR DISCUSSING THE TRADE ACT. PRIVATELY, FOREIGN MINISTRY OFFICIALS EXPRESSED THEMSELVES AS PESSIMISTIC WITH REGARD TO THE OUTLOOK FOR GIVING SUBSTANCE THE "NEW DIALOGUE." ONE OFFICIAL ANALYZED THE CONFRONTATION ON THE BASIS OF WEALTHY INDUSTRIALIZED NATION VERSUS POORER NATIONS AND BELIEVED THAT THE LATIN AMERICAN

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RESPONSE TO VENEZUELAN LEADERSHIP WAS THE

RESULT OF ACCUMULATED GRIEVANCES AGAINST THE
U.S. THE TRADE ACT EXACERBATED THESE
GRIEVANCES AND THE BRAZILIANS FEAR THAT
PROTECTIONISM IS DOMINANT IN THE U.S. THE
CONSENSUS APPEARED TO BE THAT THE NEXT STEP WAS UP
TO THE U.S. END SUMMARY.

1. THE POSTPONEMENT OF THE B.A.-MFM HAS BEEN
GIVEN WIDE PRESS COVERAGE IN BRAZIL AND HAS
RECEIVED BROAD COMMENTARY, SOME OF IT INSPIRED BY
THE FOREIGN MINISTRY. FOR INSTANCE, THE FOLHA
DE SAO PAULO, ON JAN. 26, SAID THAT, "BRAZILIAN
AND FOREIGN DIPLOMATS BELIEVE THAT IT IS STILL
POSSIBLE TO SAVE THE 'NEW DIALOGUE'. . . LATIN
AMERICA MUST PRESENT ITSELF AS A MONOLITHIC BLOC
IN DISCUSSING ITS RELATIONS WITH THE U.S., OTHER-
WISE IT WILL WEAKEN ITS CLAIMS AND POSITIONS . . ."
THE JORNAL DA TARDE, JAN. 28, STATED THAT "WHEN
THE MINISTER OF FOREIGN AFFAIRS OF BRAZIL, AZEREDO
DA SILVEIRA, RECEIVED A TELEPHONE CALL OVER THE
WEEKEND FROM HIS ARGENTINE COLLEAGUE, ALBERTO
VIGNES, CONSULTING HIM ON THE
DESIRABILITY OF POSTPONING THE MEETING OF LATIN
AMERICAN FOREIGN MINISTERS WITH KISSINGER, SCHEDULED
FOR MARCH, THERE WAS NO SURPRISE. ITAMARATY SOURCES
STATE THAT AZEREDO DA SILVEIRA HAD BEEN SKEPTICAL FOR
SOME TIME WITH REGARD TO THE POSSIBILITY OF A MEETING,
ALTHOUGH HE WAS PERSONALLY IN FAVOR OF ITS BEING HELD.
SINCE LAST FRIDAY, BRASILIA HAS BEEN ANTICIPATING THE
NEWS ABOUT THE POSTPONEMENT OF THE MEETING. DIPLOMATIC
CIRCLES IN THAT CITY STATE THAT THE FOREIGN MINISTERS
WOULD NOT IN FACT HAVE HAD ANYTHING ELSE TO DISCUSS,
AFTER THE OAS DECIDED TO DEAL WITH THE ISSUES CREATED
BY THE TRADE ACT AT ITS APRIL GENERAL ASSEMBLY. BRA-
ZILIAN DIPLOMATS ARE OF THE OPINION THAT THE FACT THAT
THE NEW AMERICAN LAW WILL BE DISCUSSED WITHIN THE OAS IS
A POSITIVE FACTOR, SINCE IT AVOIDED THE ISSUE BEING DIS-
CUSSED IN THE INFORMALITY OF THE CANCELLED MEETING WITH
KISSINGER. BRASILIA IS ALSO OF THE OPINION THAT THE 'NEW
DIALOGUE' HAS NOT ENDED, BUT HAS SIMPLY BEEN POSTPONED."
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2. ON JANUARY 30, THE ESTADO DE SAO PAULO SAID, "BRAZIL
HAS NEVER CONDITIONED THE CONTINUATION OF THE 'NEW DIALOGUE'
WITH THE AMERICAN GOVERNMENT TO A POSSIBLE MODIFICATION
IN ITS RECENT TRADE ACT. THE BRAZILIAN GOVERNMENT, FIRST
IN PRESIDENT GEISEL'S REPLY TO THE LETTER FROM THE PRESIDENT
OF VENEZUELA AND LATER THROUGH ITS REPRESENTATIVE IN THE
OAS, EXPRESSED ITS CONCERN ABOUT THE CONSEQUENCES

THAT SOME OF THE PROVISIONS OF THE NEW ACT MIGHT HAVE IN LATIN AMERICA. THESE COMMENTS WERE MADE AT ITAMARATY YESTERDAY, IN RELATION TO NEWS THAT SOME COUNTRIES WERE IMPOSING SUCH CONDITIONS. THE BRAZILIAN POSITION ON THE MATTER HAS ALWAYS BEEN VERY CLEAR AND CAREFUL. THE BRAZILIAN GOVERNMENT BELIEVED THAT THE MEETING SCHEDULED FOR MARCH IN BUENOS AIRES WOULD BE AN APPROPRIATE FORUM TO DISCUSS THE TRADE ACT. IT, HOWEVER, PROMPTLY AGREED THAT THE MATTER SHOULD BE DISCUSSED IN THE OAS WHICH, IN VIEW OF ITS INSTITUTIONAL NATURE, WOULD BE EVEN MORE APPROPRIATE. IT LATER AGREED WITH THE POSTPONEMENT OF THE MEETING BECAUSE OF THE GENERAL CONSENSUS IN LATIN AMERICA ON THE SUBJECT. ALTHOUGH IT AGREED WITH THE POSTPONEMENT BECAUSE THERE WAS AN EVIDENT LACK OF SUPPORT FOR THE MEETING, EITHER BECAUSE SOME COUNTRIES HAD EXPRESSED THE INTENTION OF NOT ATTENDING THE MEETING OR FOR LACK OF GREATER MOTIVATION, BRAZIL DID NOT CONDEMN THE "NEW DIALOGUE" THAT KISSINGER INITIATED WITH LATIN AMERICA AT TLATELOLCO ONE YEAR AGO." THE ARTICLE GOES ON TO SAY THAT IN VIEW OF THE DIFFICULTIES CREATED BY THE TRADE ACT, THE FATE OF THE "NEW DIALOGUE" IS ENTIRELY IN THE HANDS OF KISSINGER.

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TO SECSTATE WASHDC NIACT IMMEDIATE 7573

C O N F I D E N T I A L SECTION 2 OF 2 BRASILIA 0887

FOR ROGERS

3. THE FOREIGN MINISTER INFORMED THE AMBASSADOR ON JANUARY 27 (BRASILIA'S 786) THAT, (A) HE WANTED TO EMPHASIZE THAT BRAZIL, AS HE HAD MADE REPEATEDLY CLEAR, HAD BEEN PREPARED TO ATTEND; AND THAT (B) BRAZIL THOUGHT THAT THE FMF, AS THE MEANS OF CONTINUING THE DIALOGUE, WAS A NOT ONLY APPROPRIATE BUT A PARTICULARLY GOOD FORUM FOR DISCUSSING THE TRADE ACT WITH THE SECRETARY SINCE "WE ARE IN A NEGOTIATION, NOT A WAR"; AND (C) NONE THE LESS, HE UNDERSTOOD THAT ARGENTINA, AS HOST, HAD A DIFFICULT DECISION TO MAKE, ONE WHICH HE WOULD NOT CRITICIZE. ON JAN. 28 THE FOREIGN MINISTER SHOWED THAT HE WAS VERY HAPPY ABOUT THE TERMS OF VIGNES' POSTPONEMENT ANNOUNCEMENT AND THAT HE CONSIDERED SOME OF THE LANGUAGE IN THE U.S. STATEMENT "DEFENSIVE."

4. IN AN EXTENDED CONVERSATION WITH AN EMBASSY OFFICER, MINISTER SOUTOMAIOR, THE FOREIGN MINISTER'S CHIEF OF CABINET, STATED THAT THE GOB HAD ALWAYS BEEN SKEPTICAL ABOUT THE REAL CONTENT OF THE "NEW DIALOGUE" AND IS PESSIMISTIC ABOUT U.S." LATIN AMERICAN RELATIONS IN THE WAKE OF THE POSTPONEMENT OF THE B.A.-FMF. EMPHASIZING THAT HE WAS SPEAKING PERSONALLY AND THAT THE FOREIGN MINISTRY HAD NOT HELD A CONFIDENTIAL

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STAFF MEETING TO DEFINE A POLICY FOR THE POST-B.A. PERIOD, SOUTOMAIOR STATED THAT THE VENEZUELAN GAMBIT OF USING THE TRADE ACT AS A MEANS OF FORCING THE POSTPONEMENT OF THE B.A MEETING WAS INTENDED AS A MEANS OF BUTTRESSING VENEZUELAN PETROLEUM POLICY. SUCH A GAMBIT WOULD ORDINARILY NOT HAVE STRUCK A RESPONSIVE CHORD IN LATIN AMERICAN AND WOULD HAVE BEEN GREETED ONLY WITH PERFUNCTORY RHETORICAL SUPPORT IF IT HAD NOT BEEN CLEAR THAT EACH LATIN AMERICAN NATION HAD ITS OWN GRIEVANCE WITH REGARD TO THE U. S. SOUTOMAIOR SAID THAT THESE GRIEVANCES WILL CONTINUE UNTIL THE "U.S. ACCEPTS POLITICALLY THE DISTRIBUTIONIST CONCEPT THAT WEALTHY INDUSTRIALIZED NATIONS SHOULD SUPPORT THE DEVELOPMENT OF POORER NATIONS. THESE GRIEVANCES WILL CONTINUE TO MOUNT AND WERE, IN FACT, EXACERBATED BY THE TRADE ACT."

5. SOUTOMAIOR ADDED THAT RHETORICAL MEASURES ON THE PART OF THE U.S. CAUSE MOMENTARY WAVES OF HOPE BUT THESE ARE SOON CRUSHED BY THE REALITIES OF THE SITUATION. THE TRADE ACT GIVES BRAZILIANS THE IMPRESSION THAT THE TREND IN THE U.S. IS TOWARDS PROTECTIONISM AND THAT EVEN IF THE EXECUTIVE BRANCH IS PREPARED TO BE FORTHCOMING, WHICH SOME CONSIDER DOUBTFUL, "PRESSURE GROPS AND THE CONGRESS" WILL PREVENT MORE EFFECTIVE ACTION. "IT STANDS TO REASON," HE ADDED, "THA IF THE MANUFACTURED

PRODUCTS OF THE LESS-DEVELOPED NATIONS BECOME MORE COMPETITIVE IN THE U.S. MARKET, A SERIES OF OBSTACLES TO SUCH IMPORTS WILL BE TRIGGERED."

6. EMBASSY CONTACT WITH THE FORMER CHIEF OF THE AMERICAN REGIONAL ORGANIZATIONS DEPARTMENT AND WITH THE WORKING LEVEL OF THE OAS DIVISION TENDED TO CONFIRM THE GENERALLY PESSIMISTIC AND RATHER SORROWFUL ATTITUDE OF THE FOREIGN MINISTRY WITH REGARD TO THE OUTLOOK FOR GIVING SUBSTANCE TO THE "NEW DIALOGUE". SO FAR THIS SKEPTICISM WITH RESPECT TO SUBSTANCE HAS NOT DESTROYED THE APPEAL FOR FOREIGN MINISTER SILVEIRA OF THE "NEW DIALOGUE" AS A TECHNIQUE FOR INTER-AMERICAN COMMUNICATION. IN ANY CASE, THE CONSENSUS IN THE FOREIGN MINISTRY APPEARS TO BE THAT THE NEXT STEP IS UP TO THE U. S. IT IS CLEAR TO US THAT THE
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SECRETARY'S VISIT GIVING AS IT WILL, THE OPPORTUNITY TO EXAMINE THE PRESENT STATE AND FUTURE PROSPECTS OF THE DIALOGUE IS VIEWED BY THE BRAZILIANS AS THAT CRITICAL NEXT STEP.

7. THE AMBASSADOR EXPECTS TO SEE THE MINISTER EARLY NEXT WEEK TO PURSUE WITH HIM HIS FIRST REACTIONS REFERRED TO ABOVE.
CRIMMINS

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